



eutectics
consulting LLC

Clean Energy Financing | PACE Program Development

EutecticsLLC.com

Eutectics Consulting

We connect business owners, contractors, and investors to move clean energy projects from concept to reality.

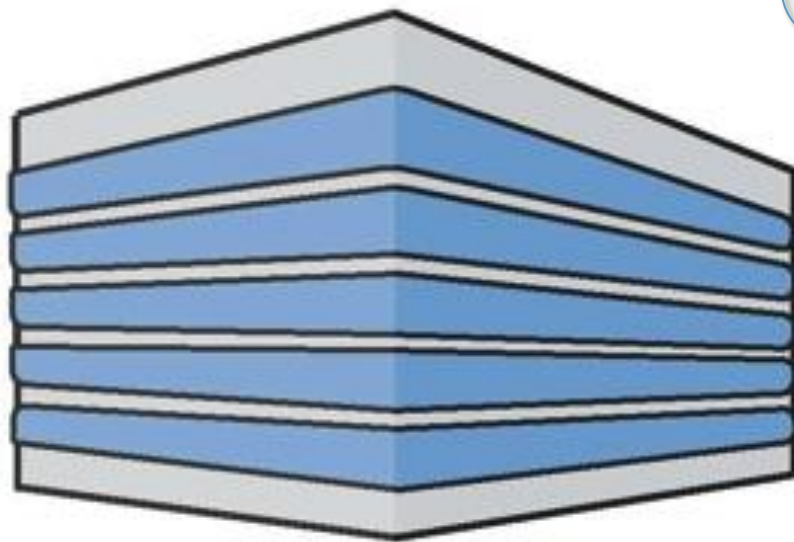


Save Energy. Save Money.

*What if you could reduce
energy costs – at little or
no cost to you?*

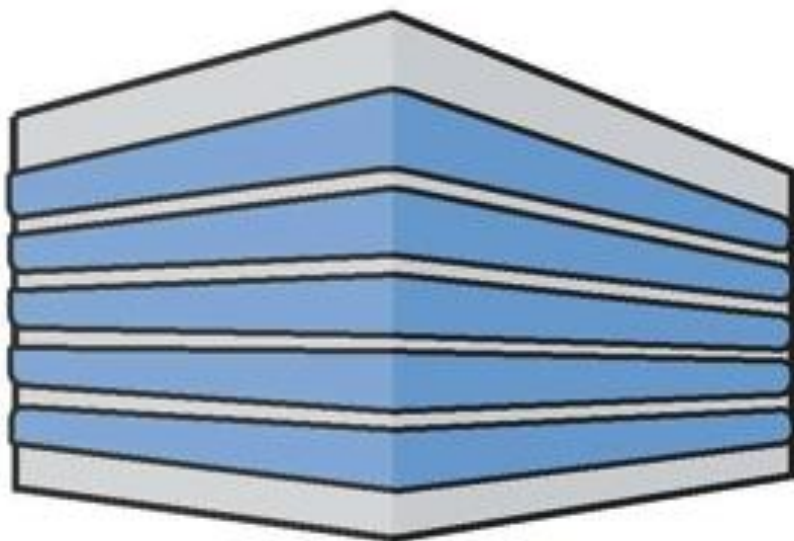
Save Energy. Save Money.

What if you could spur economic activity – from contractors to manufacturers to Main Street businesses – with nearly all costs covered by the private sector?



Building Owner

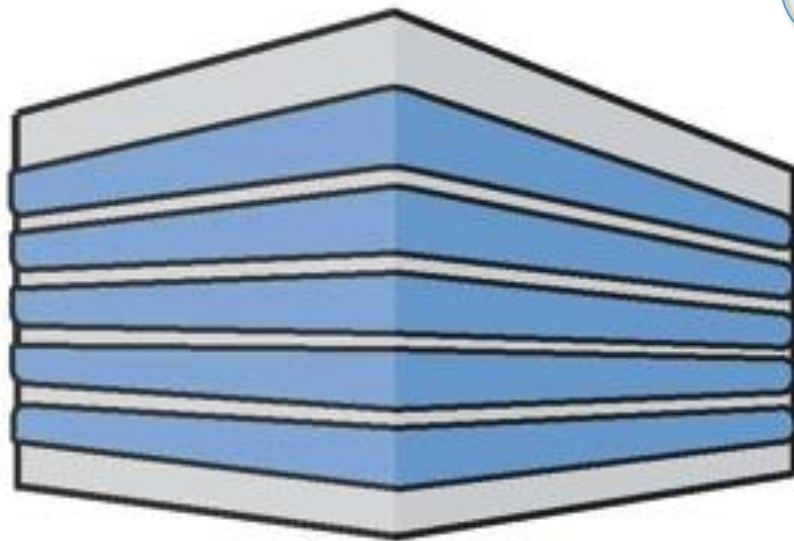
*“My utility costs
are **way** too
high! Help!”*



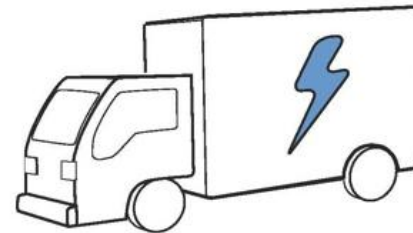
*“We know how
to cut energy
costs!”*

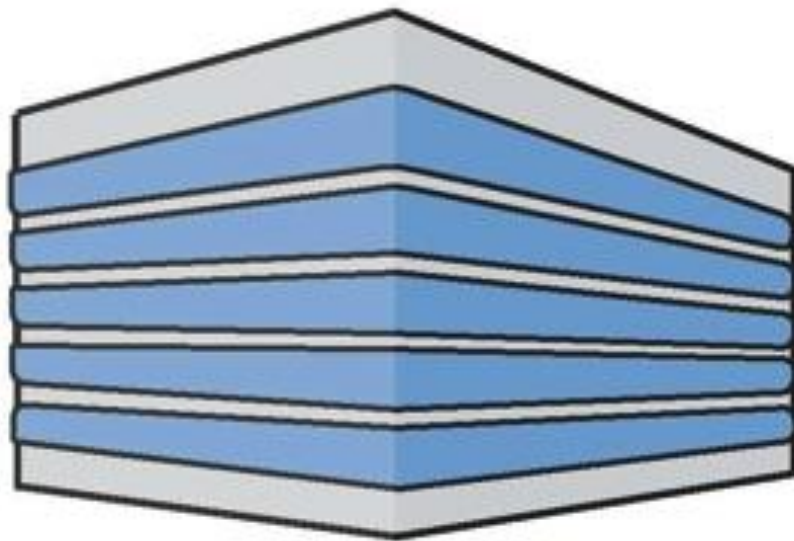


Energy Contractor

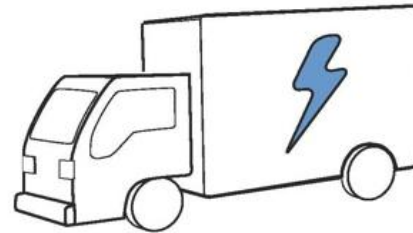


“But times are tight - how will I pay for the upfront costs?”



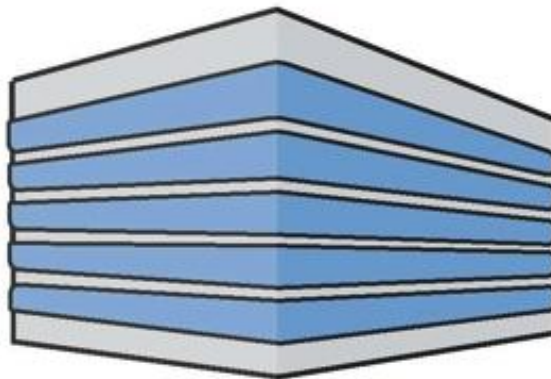


*Hmmm... You
could get an
equipment
lien...?*



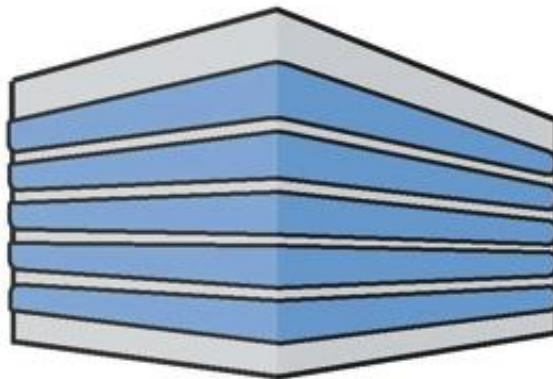
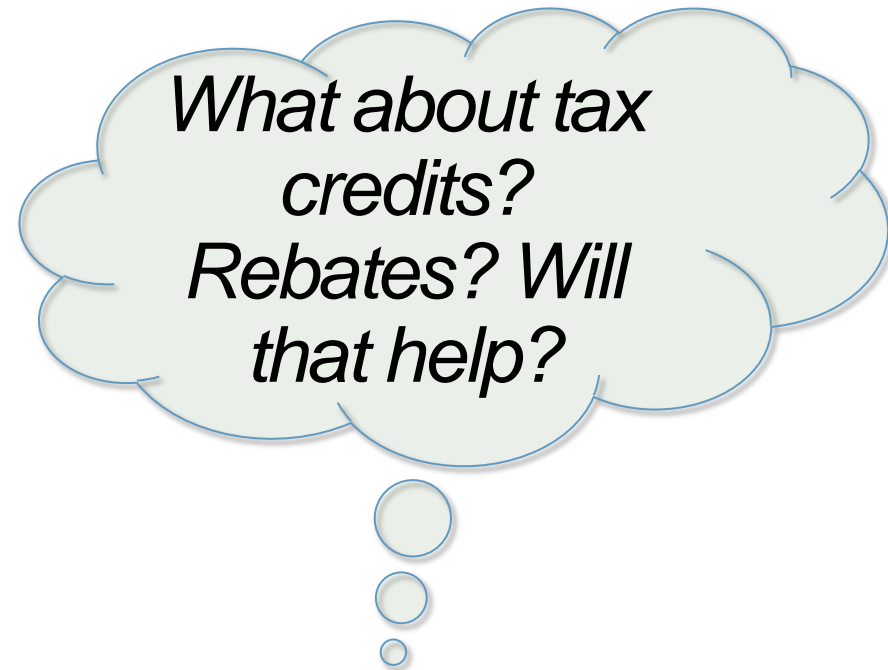


Investors





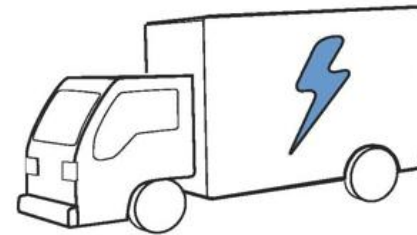
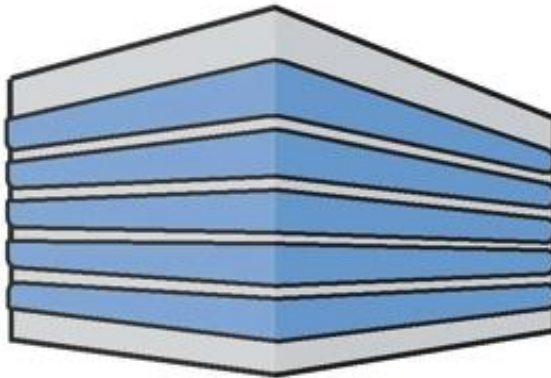
Investors

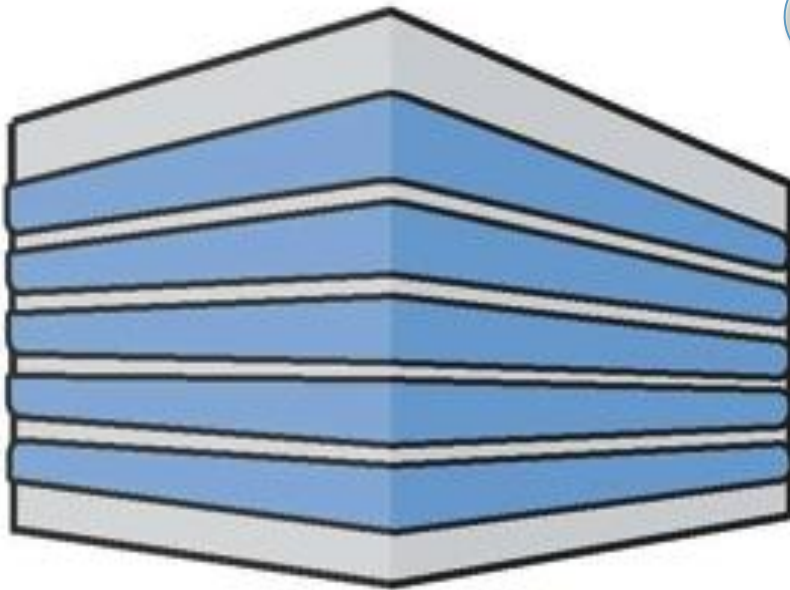




Investors

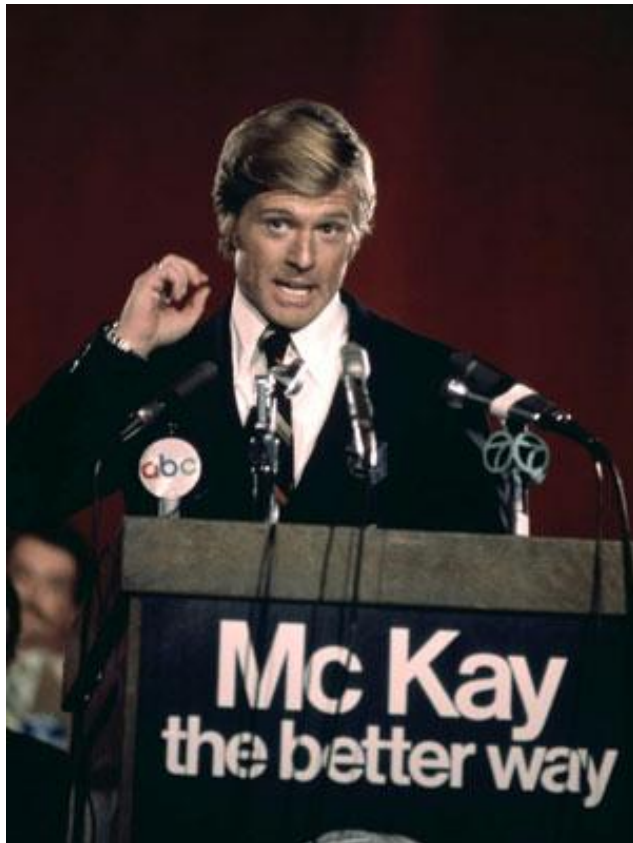
*If the owner defaults
and I foreclose, what
do I get? Your boiler?
No thanks...*



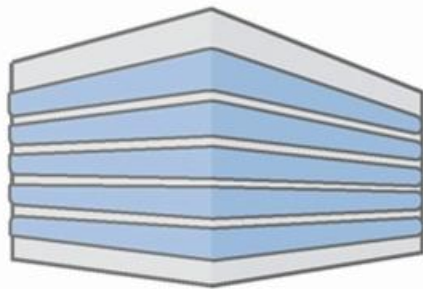


*But, my utility
costs are **STILL**
way too high!
Help!*



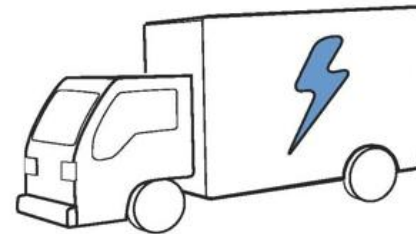
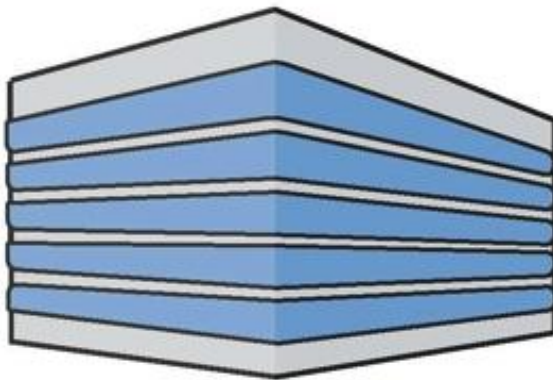


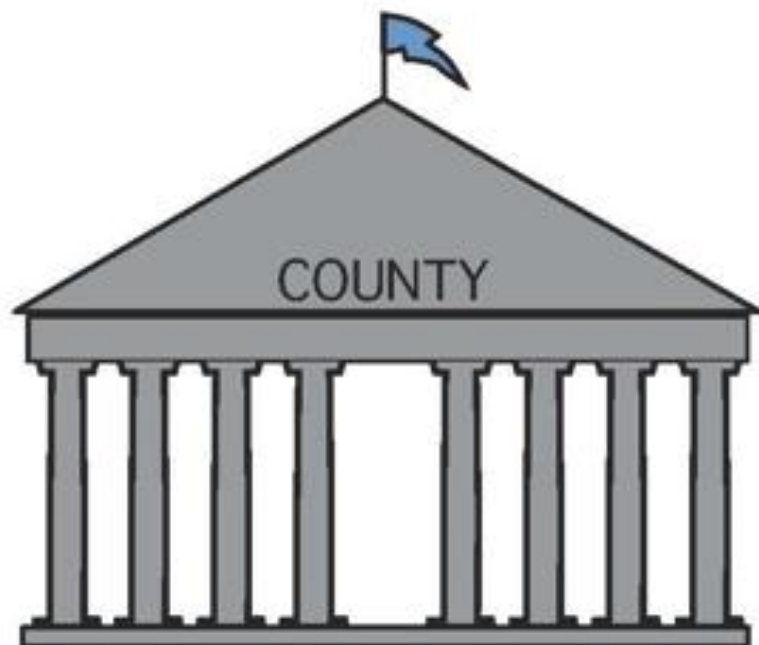
*There's got to
be a better
way...!*



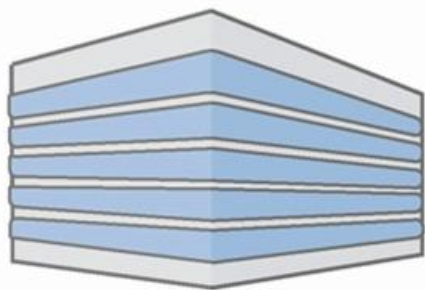


*Set up the loan as
secured “recourse”
loans, and we’ll
talk...*





*I think we can
help...*



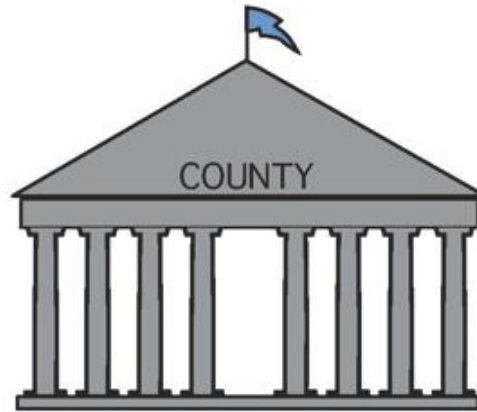
Property Assessed. Clean Energy.

- *Building-scale energy improvements*
- *Secured by a special assessment*
- *Paid back via property tax*

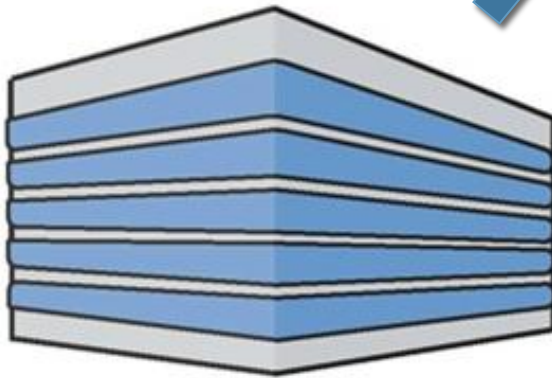


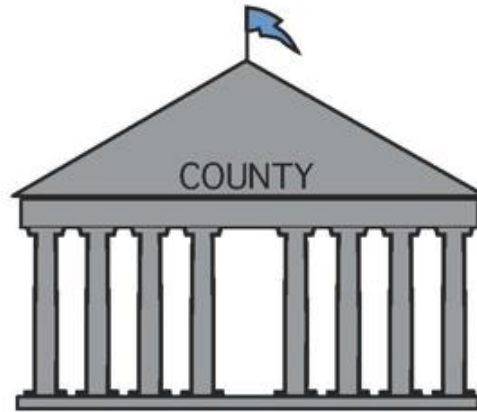
The Main Street Model.

- *Zero-down, cash-flow-friendly*
- *Low-cost capital*
- *Easy process with local partners*



1. Apply for PACE
loan.

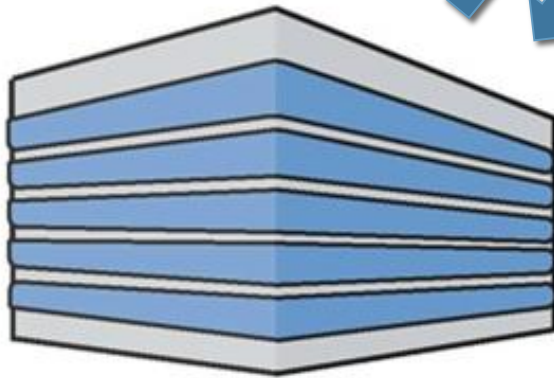


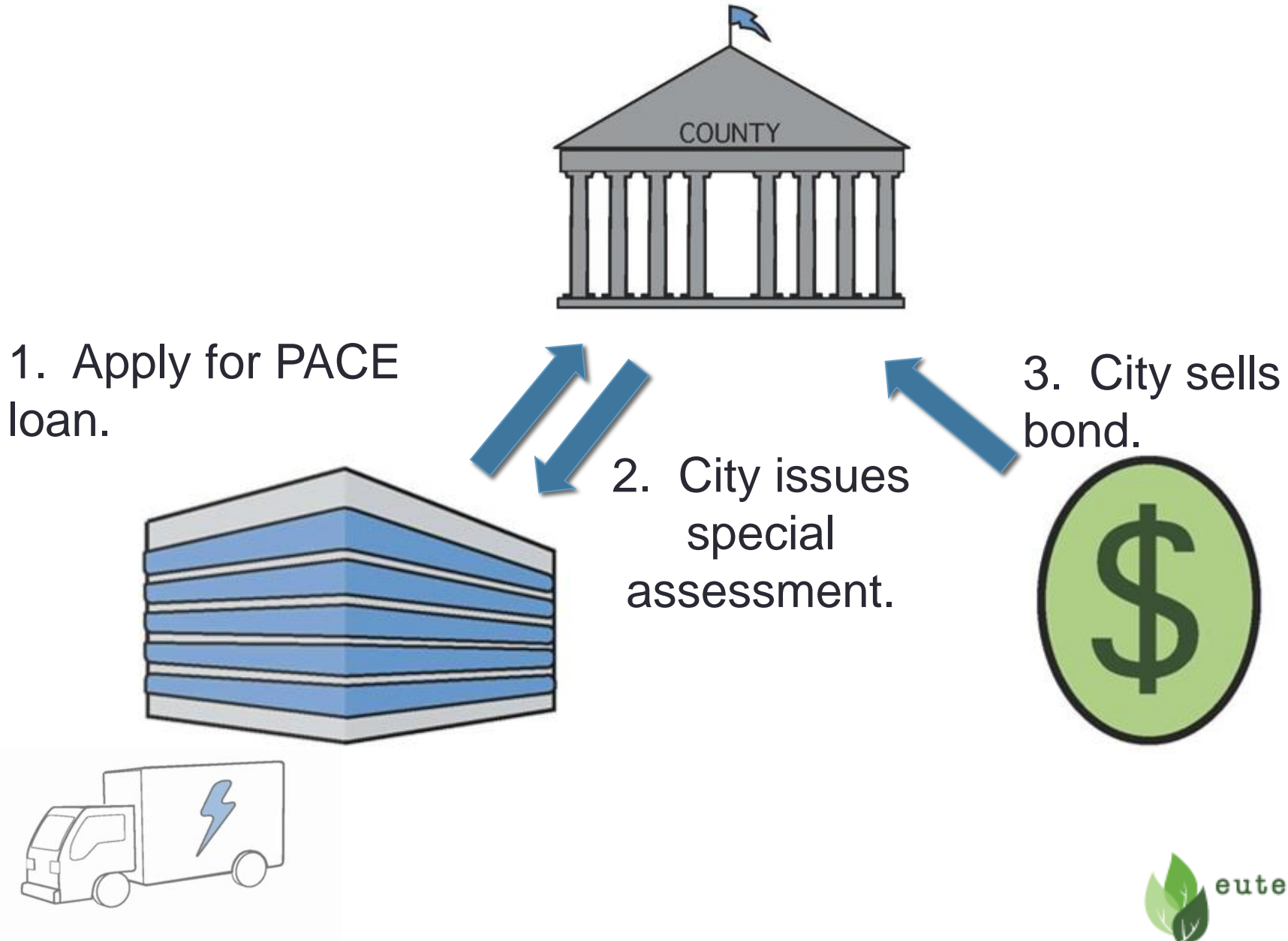


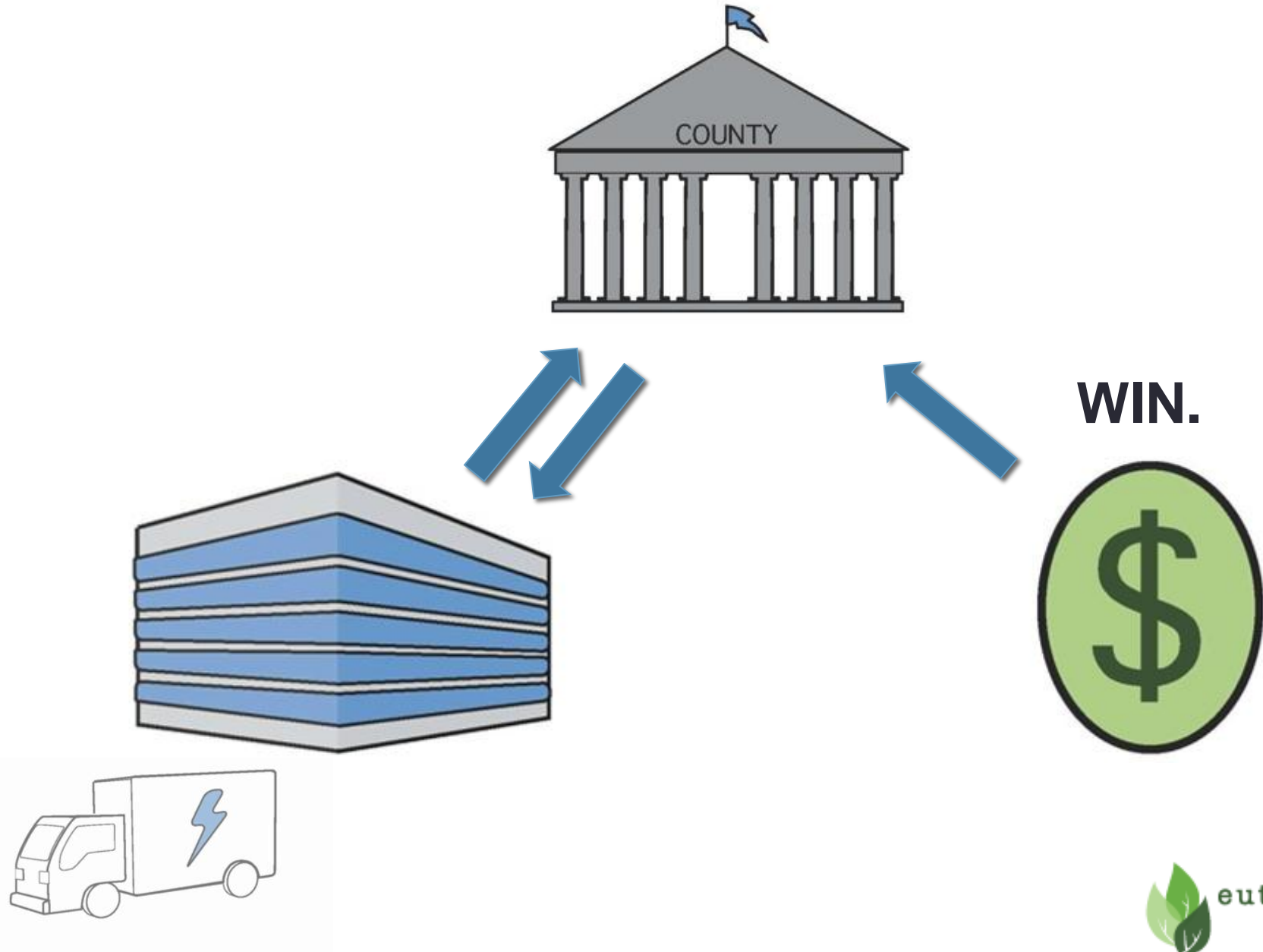
1. Apply for PACE
loan.

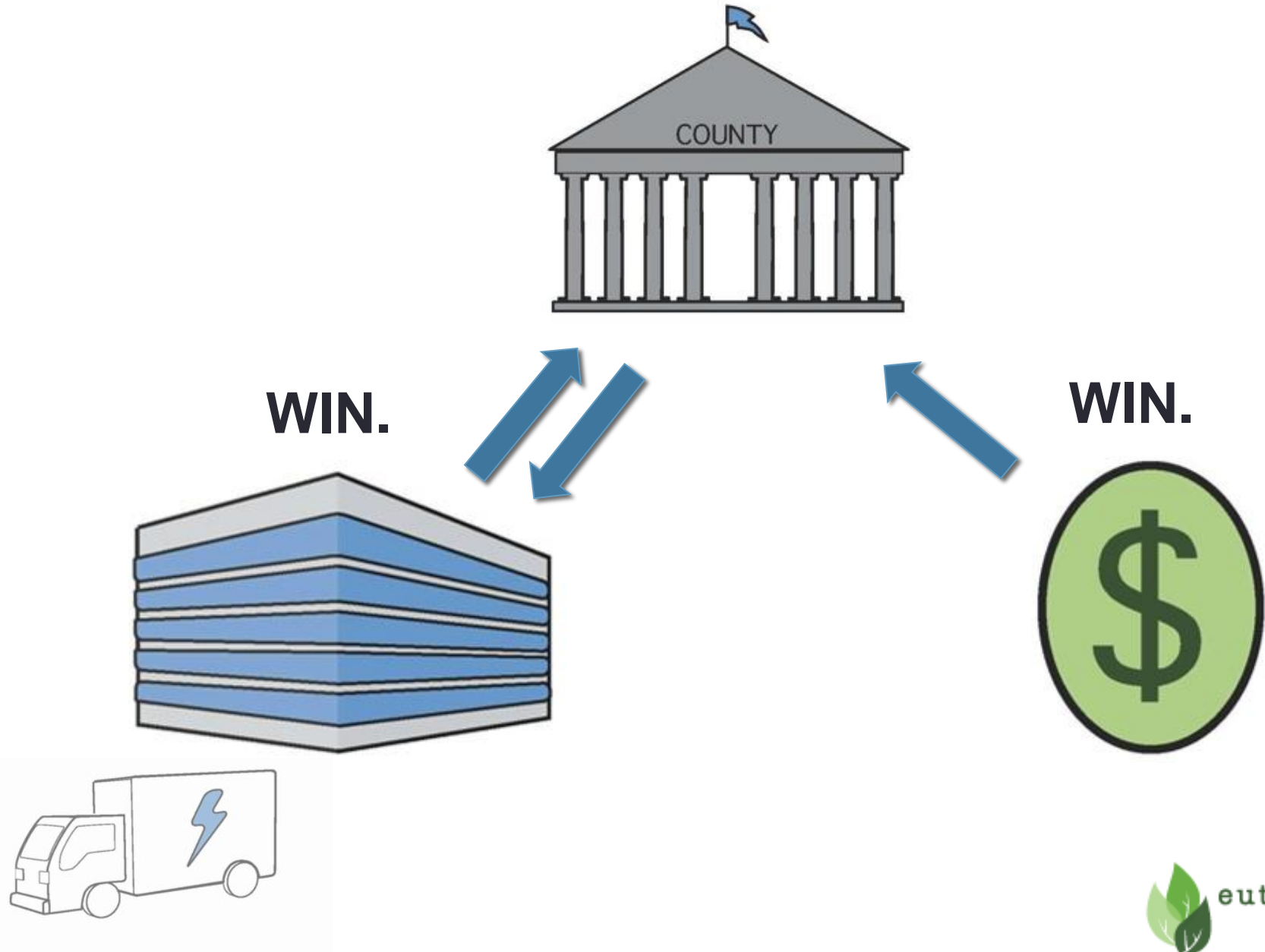


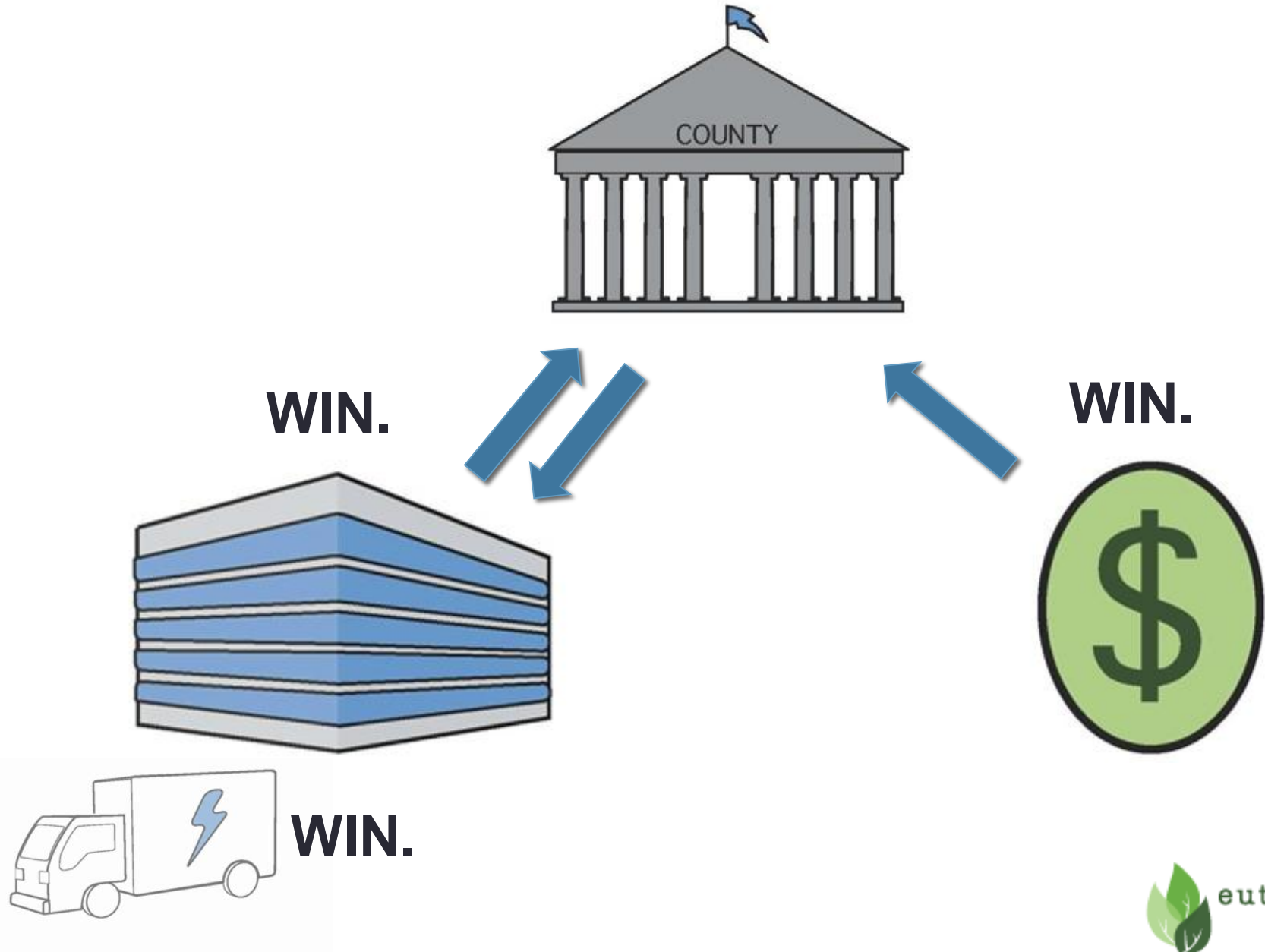
2. City issues
special
assessment.

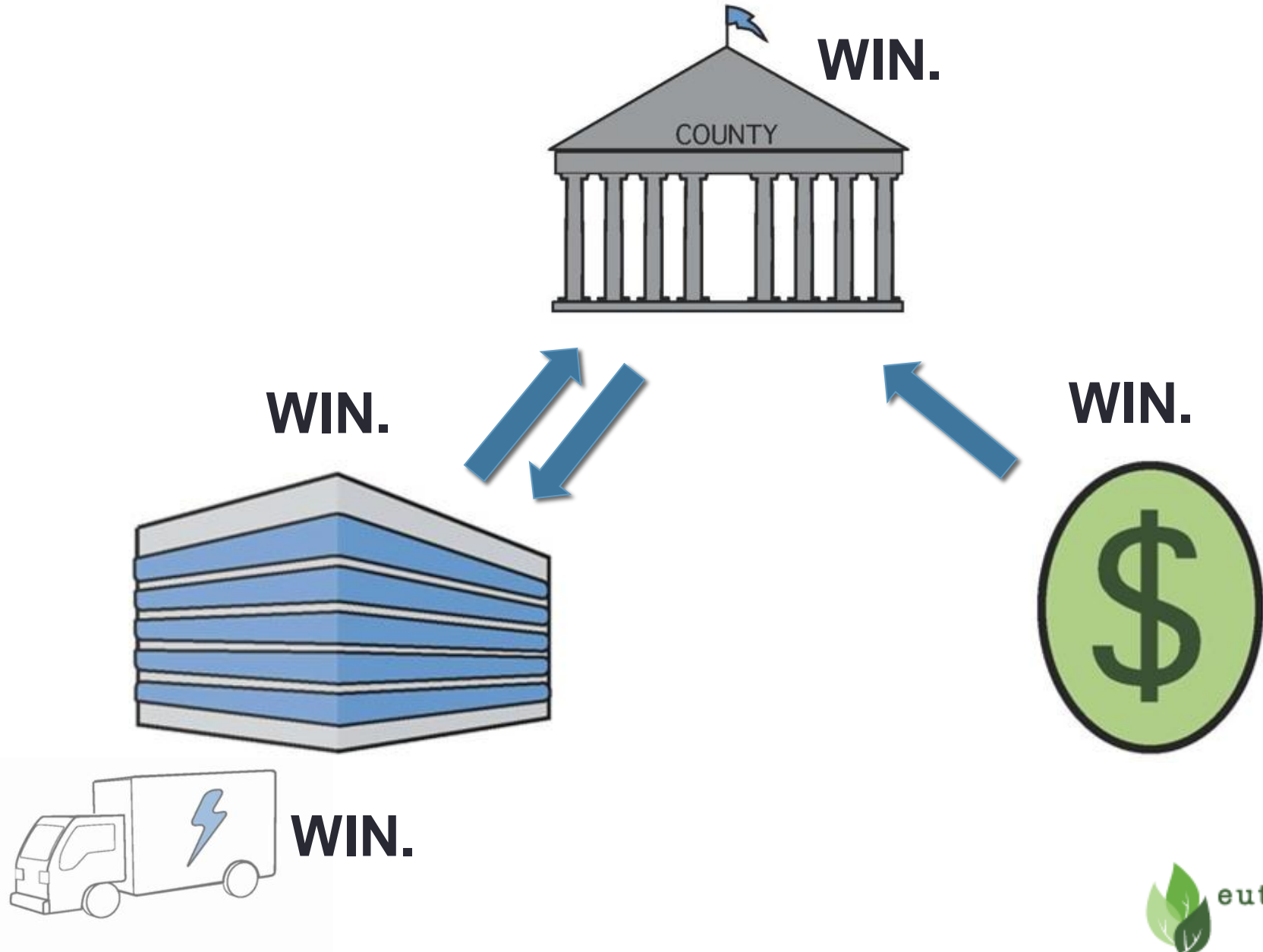






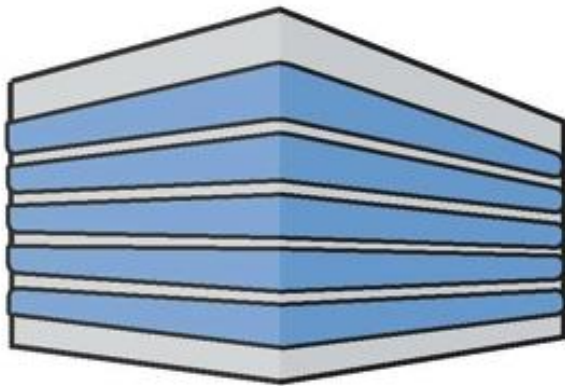






Ex. 1: Restaurant upgrade

LED lights and hood fan controls



TOTAL COST:	\$ 50,622
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Xcel efficiency rebate	11,314
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<u>TOTAL PACE LOAN</u>	<u>\$39,308</u>
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<u>TOTAL DOWN</u>	<u>\$ 0</u>
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PACE loan repayment	9,334
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<i>Energy and operations savings</i>	<i>15,296</i>
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first year, adjust upwards 2.25% annually

<u>TOTAL SAVED / YRS 1-5</u>	<u>\$6,383</u>
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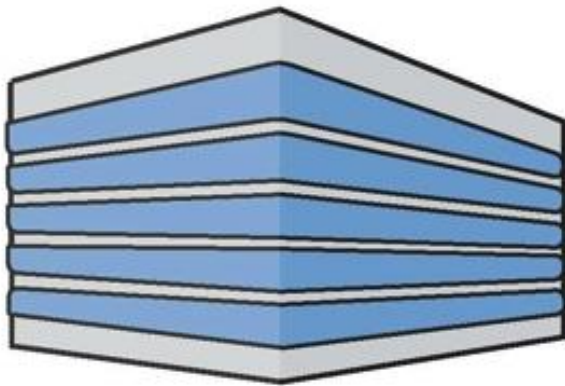
<u>TOTAL SAVED / YR 6+</u>	<u>\$17,096</u>
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The Main Street Model

Ex. 2: 20kW Solar PV

tenK solar PV system

(w/o state incentives)



TOTAL COST:	\$ 90,000
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<i>Cost per watt</i>	<i>\$4.50</i>
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Federal Investor Tax Credit	27,000
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Net Cost	63,000
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Financing costs	2,090
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<u>TOTAL PACE LOAN</u>	<u>\$65,090</u>
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<u>TOTAL DOWN</u>	<u>\$ 0</u>
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PACE loan repayment	9,160
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<i>Energy and tax savings</i>	<i>6,871</i>
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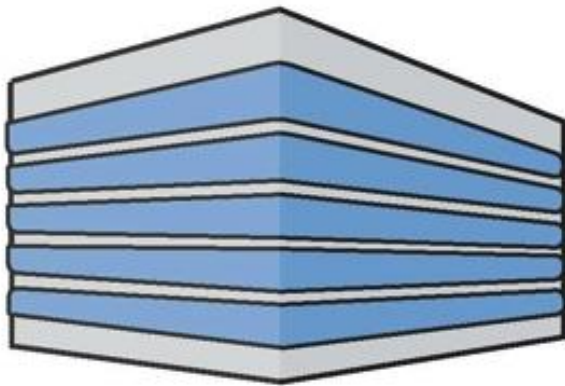
<u>TOTAL COST / YRS 1-10</u>	<u>\$2,289</u>
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<u>TOTAL SAVINGS / YR 11+</u>	<u>\$2,324</u>
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The Main Street Model

Ex. 3: Corp. HQ

Deep retrofit w / new HVAC, lighting, controls and more



TOTAL COST:	\$969,235
Federal Efficiency Tax Credit	151,200
Xcel/ <u>Centerpoint</u> Rebate	80,000
Net Cost	738,035
Eutectics fee	11,070
<u>TOTAL PACE LOAN</u>	<u>\$749,125</u>
<u>TOTAL DOWN</u>	<u>\$ 0</u>
PACE loan repayment	109,032
Energy savings	128,275
<i>first year, adjust upwards 2% annually</i>	
<u>TOTAL SAVINGS / YRS 1-10</u>	<u>\$19,242</u>
<u>TOTAL SAVINGS / YR 11</u>	<u>\$156,367</u>

The Main Street Model

The Main Street Model.

Bremer Bank is the nation's first community-bank investor in a PACE project. Other investors include CDFIs, specialized energy investors, and other community banks.

The Main Street Model.

The first community bank-funded PACE financing partnership in the country.

\$35 million in community-based capital ensuring local projects result in local benefits.

The Main Street Model.

- *Uniform PACE platform for all programs*
- *Local capital partners*
- *Easy project input for contractors / owners*
- *Low-risk, high return for local gov's*

Expanding the Main Street Model.

Option 1:
Local Government Leads.



Expanding the Main Street Model.

Option 2:
Businesses Lead.



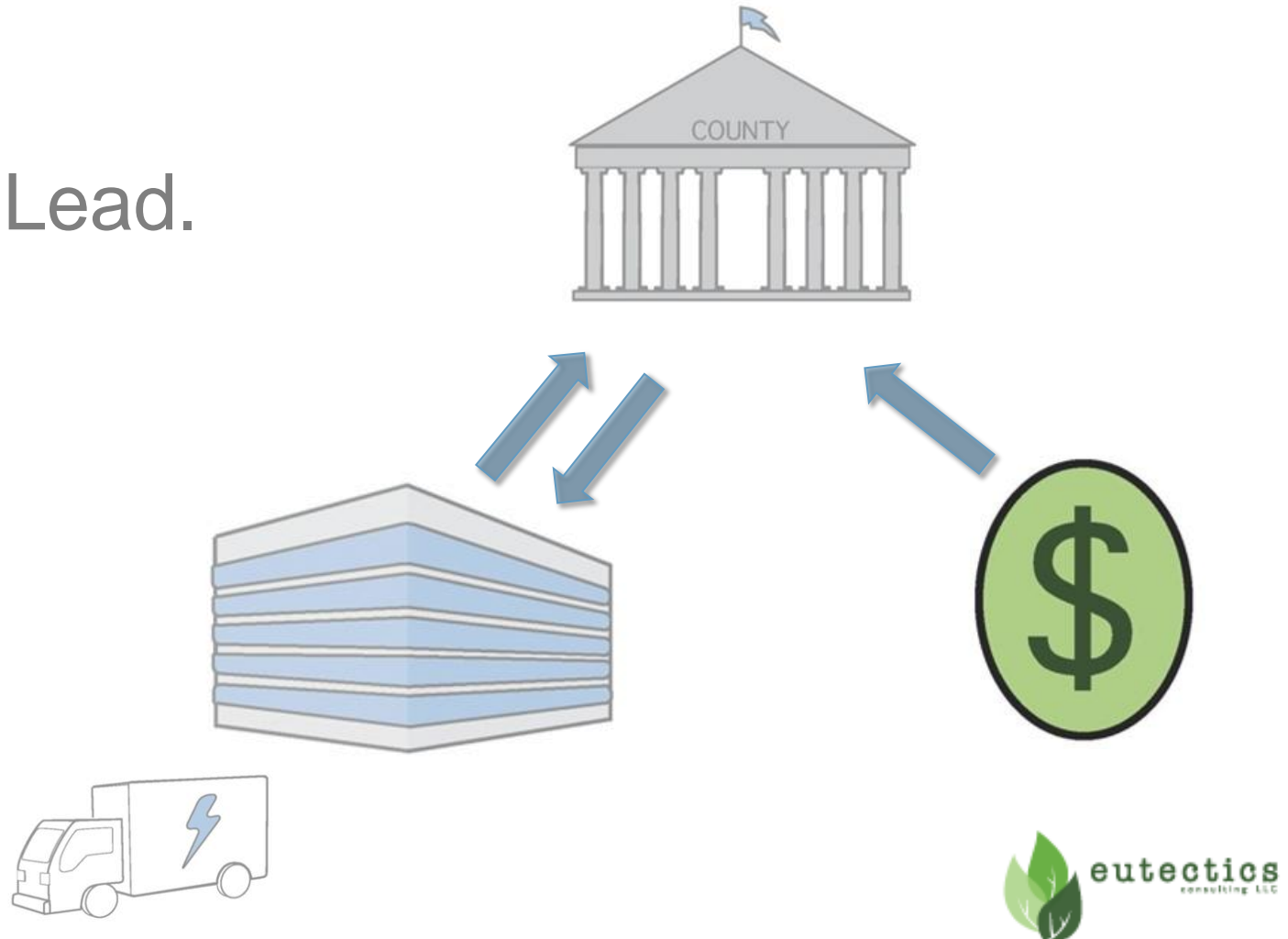
Expanding the Main Street Model.

Option 2a:
Contractors and
Providers Lead.



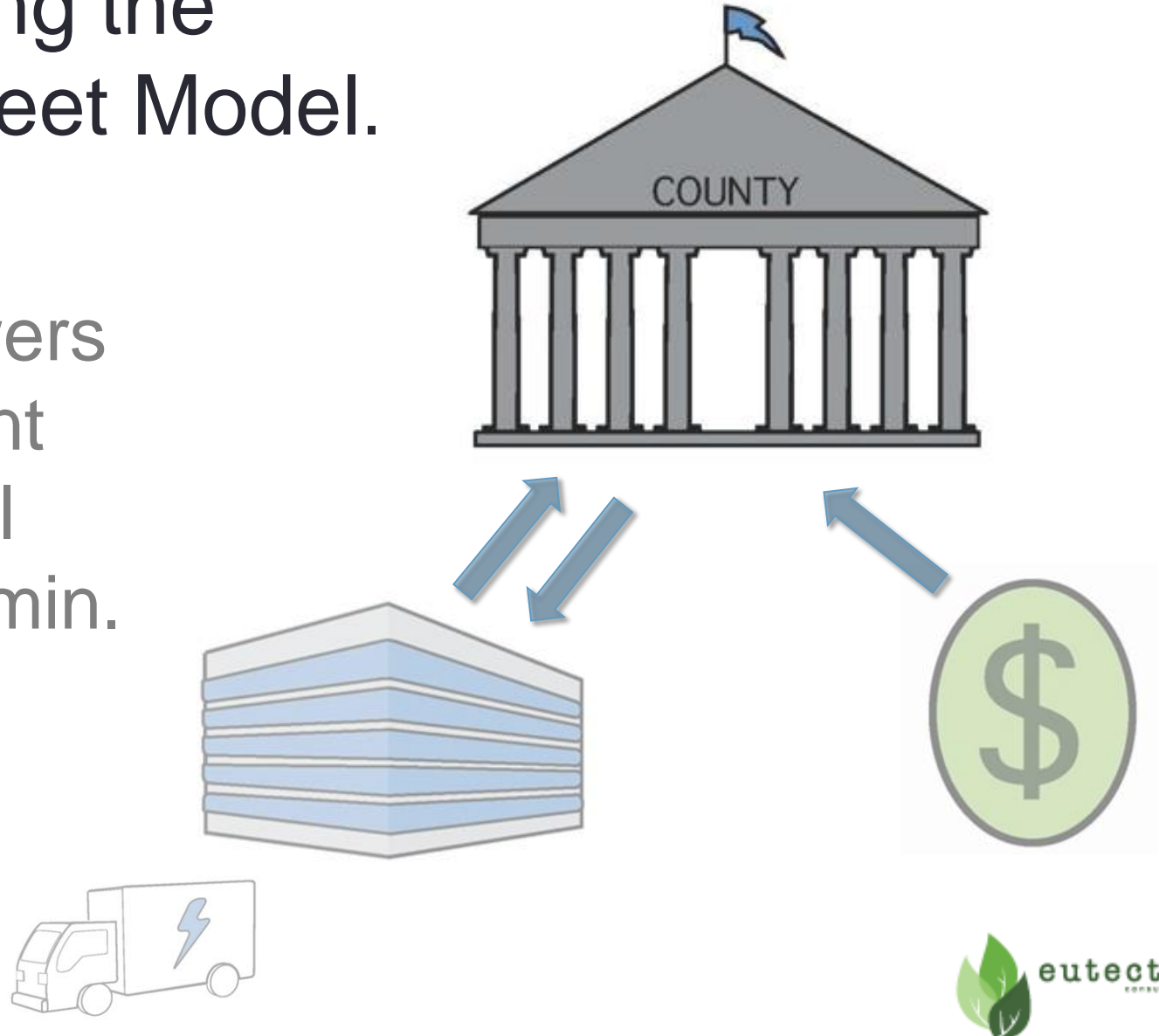
Expanding the Main Street Model.

Option 3:
Investors Lead.



Expanding the Main Street Model.

Option 4:
Joint Powers
Agreement
w/ Central
PACE admin.



The Main Street Model.

- *Uniform PACE platform for all programs*
- *Local capital partners*
- ***Easy project input for contractors / owners***
- *Low-risk, high return for local gov's*

MnPACE.com *(still in development)*

- *One-stop shop for PACE information*
- *A project of Eutectics Consulting, the leading Midwest PACE financing source.*



MnPACE.com *(still in development)*

- *Integrated platform for project input for contractors and owners*
- *GOAL: Easy to use, fast reponse*



*Making Property Assessed
Clean Energy a Reality in Minnesota*

Search...



MAIN STREET MODEL

PACE 101 »

PACE IN MINNESOTA »

I WANT TO ACCESS PACE FUNDING!



FINANCING FOR LITTLE OR NO UPFRONT COST

PACE financing connects business owners with the financing they need to get projects done.

Business Owners

PACE financing connects business owners with the financing they need to get projects done.

Contractors

PACE offers contractors an opportunity to expand services & build partnerships

Local Government Partners

Communities across Minnesota can join Edina and implement an Emerald Energy Program.

Investors

PACE offers secure investment opportunities with predictable, low-risk ROI.

Eutectics' Values.

Eutectics Consulting is built on enduring values of **trust**, **honesty**, and the proposition that private profits should also **serve the public good**.



eutectics
consulting LLC

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